

Debtor's Ex. 11

FINANCIAL OVERSIGHT & MANAGEMENT BOARD
FOR PUERTO RICO



David A. Skeel, Jr.
Chair

Members

Andrew G. Biggs
Arthur J. González
Antonio L. Medina
John E. Nixon
Justin M. Peterson
Betty A. Rosa

Natalie A. Jaresko
Executive Director

BY ELECTRONIC MAIL

February 22, 2022

The Honorable Pedro Pierluisi Urrutia
Governor of Puerto Rico

The Honorable José Luis Dalmau Santiago
President of the Senate of Puerto Rico

The Honorable Rafael Hernández Montañez
Speaker of the House of Representatives of Puerto Rico

Dear Governor Pierluisi Urrutia, President Dalmau Santiago and Speaker Hernández Montañez:

Pursuant to a Unanimous Written Consent (“UWC”), a copy of which is attached hereto as Exhibit A, adopted by the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), and section 202(e)(3) of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), the Oversight Board hereby issues to the Governor and the Legislature this compliance certification that the Fiscal Year 2022 Amended Territory Budget of the Commonwealth of Puerto Rico, as developed by the Oversight Board pursuant to section 202(d)(2), consisting of the document attached hereto as Exhibit 1, is a compliant budget as set forth in the UWC.

The Oversight Board looks forward to continuing working with you to accomplish the requirements and goals of PROMESA for the benefit of the people of Puerto Rico.

Sincerely,

David A. Skeel, Jr.

Honorable Pierluisi Urrutia
Honorable Luis Dalmau Santiago
Honorable Hernández Montañez
February 22, 2022
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CC: Ms. Natalie A. Jaresko
Hon. Omar Marrero Diaz

Exhibit 1

GOVERNMENT OF PUERTO RICO

February 21, 2022

JOINT RESOLUTION

To include as part of the General Budget of Expenses of the Government of Puerto Rico for Fiscal Year 2022, a budget appropriation of \$23,394,504,916 that includes the payments set forth in the Plan of Adjustment confirmed by the Title III Court in compliance with the provisions of the federal statute known as the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA); to amend the Joint Resolution of the General Budget for Fiscal Year 2022 to appropriate funds from General Fund of the State Treasury for the operating expenses of the Government of Puerto Rico for the fiscal year ending June 30, 2022; use funds to enable the Department of Treasury for payments as set forth in the Plan of Adjustment; provide that, in the event the final amounts are lower than expected, any unused appropriations are to be returned to the General Fund; to require the Department of Treasury to submit to the Oversight Board the amounts and supporting calculations to finalize certain payments; and for other related purposes.

STATEMENT OF MOTIVES

In 2016, Puerto Rico faced an unsustainable burden of more than \$70 billion in debt and over \$50 billion in unfunded pension liabilities, which led the Government of Puerto Rico to default for the first time in its history and lose access to capital markets. That same year, the United States Congress passed the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"), to allow Puerto Rico to restructure its debt, achieve fiscal responsibility, and regain access to capital markets.

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PROMESA established the Financial Oversight and Management Board for Puerto Rico (“FOMB”) and provides a mechanism for the FOMB to negotiate with creditors on behalf of Puerto Rico to adjust the debt to sustainable levels. In accordance with the provisions of PROMESA, the FOMB submitted to the Title III Court the Joint Plan of Adjustment (“POA”), to restructure the debt of the Commonwealth, the Employees Retirement Systems, and the Public Buildings Authority and Qualifying Modifications under Title VI of PROMESA to restructure debts of the Convention Center District Authority (“CCDA”) and the Puerto Rico Infrastructure Finance Authority (collectively, the “Qualifying Modifications”). On January 18, 2022, the Title III Court confirmed the POA and on January 20, 2022, the Court approved the Qualifying Modifications, officially concluding the restructuring of the debt of the Government of Puerto Rico and those governmental units that are subject to the POA and Qualifying Modifications, and providing the basis for a future of economic stability.

In total, the agreements included in the POA and Qualifying Modifications reduce the Government’s public debt by approximately 50%. In other words, the public debt would be reduced from approximately \$70 billion to \$34 billion, and the Commonwealth’s General Obligation (“GO”) debt and Public Buildings Authority debt guaranteed by the Commonwealth would be reduced from \$18.8 billion to \$7.4 billion. In turn, the annual payment of Puerto Rico’s public debt would be reduced from an average of \$2.5 billion to \$1.15 billion. Likewise, the annual debt service of the Commonwealth would be reduced from approximately 28% to 7% of the total revenues of the Government. This represents the largest municipal debt restructuring in American history.

To achieve this reduction in government debt, the POA requires the Central Government to issue new GO bonds and to create contingent value instruments. The Puerto Rico Legislative Assembly passed Act 53-2021, known as the “Ending Puerto Rico’s Bankruptcy Act,” with bipartisan support to enable the foregoing. In addition, the POA and Qualifying Modifications require the Government to make a series of payments to creditors on the effective date of the same, as well as on other dates in Fiscal Year 2022 and subsequent Fiscal Years. This Joint Resolution has the objective of appropriating the necessary funds for the Government to make the payments required under the POA and Qualifying Modifications, in accordance with the terms established therein. This will allow the Government of Puerto Rico to finally exit its restructuring proceeding and regain access to the capital markets, and to make much needed investments to improve our infrastructure and the quality of the services it is called upon to provide.

The Legislative Assembly recognizes that time is of the essence in adopting this Joint Resolution. Expeditiously authorizing the payments set forth herein and consummating the POA is a critical step to ending a problematic chapter in Puerto Rico’s history and is equally important to our future. Any delay in emerging from the

PROMESA restructuring proceeding will add additional costs, hamper our future growth and delay much needed investments in Puerto Rico.

Based on the foregoing, this Legislative Assembly adopts this Joint Resolution in order to appropriate unused cash accumulated from prior fiscal years totaling \$10,886,989,453, in compliance with the provisions of the POA, and to amend the Joint Resolution of the General Fund Budget for Fiscal Year 2021-2022 certified on June 30, 2021 from \$10,112,390,000 to \$12,507,515,463.

BE IT RESOLVED BY THE PUERTO RICO LEGISLATIVE ASSEMBLY:

Section 1.- It is hereby appropriated as part of the General Budget of Expenses of the Government of Puerto Rico for Fiscal Year 2021-2022, the amount of \$10,886,989,453 for the purposes and from the sources detailed below. Capitalized terms used herein are as defined in the POA:

I. Appropriations from prior fiscal years cash under the custody of the Department of Treasury

A. Debt service

i. For the payment of Allowed Vintage

CW Bond Claims to be paid on

the effective date of the

POA, and subject to

the right of election set forth in

Section 19.2 of the POA \$1,940,413,573

ii. For the payment of Allowed

2011 CW Bond Claims to be

paid on the effective date

1	of the POA, and	
2	subject to the right of election	
3	set forth in Section 34.2 of the POA	\$148,833,731
4	iii. For the payment of Allowed	
5	2011 CW Series D/E/PIB	
6	Bond Claims to be paid on	
7	the effective date of the POA, and	
8	subject to the right of election	
9	set forth in Section 40.2 of the POA	\$211,355,036
10	iv. For the payment of Allowed 2012	
11	CW Bond Claims to be paid	
12	on the effective date of the POA, and	
13	subject to the right of election	
14	set forth in Section 44.2 of the POA	\$909,912,680
15	v. For the payment of Allowed 2014	
16	CW Bond Claims to be paid on	
17	the effective date of the POA,	
18	and subject to the right of election	
19	set forth in Section 50.2 of the POA	\$1,213,478,877
20	vi. For the payment of Vintage	
21	Allowed CW Guarantee Bond Claims	
22	To be paid on the effective date	

1	of the POA	\$653,782,174
2	vii. For the payment of Allowed Vintage	
3	PBA Bond Claims to be paid	
4	on the effective date of the POA	\$611,331,186
5	viii. For the payment of Allowed 2011 CW	
6	Guarantee Bond Claims to be paid	
7	on the effective date of the POA,	
8	and subject to the right of election	
9	set forth in Section 38.2 of the POA	\$323,523,903
10	ix. For the payment of Allowed 2011 PBA	
11	Bond Claims to be paid on the	
12	effective date of the POA	\$306,768,912
13	x. For the payment of Allowed 2012 CW	
14	Guarantee Bond Claims to be	
15	paid on the effective date of the POA,	
16	and subject to the right of election set	
17	forth in Section 48.2 of the POA	\$149,700,027
18	xi. For the payment of Allowed 2012 PBA	
19	Bond Claims to be paid on the effective	
20	date of the POA	\$154,899,902
21	xii. For the payment of Allowed PBA/DRA	
22	Secured Claims to be paid	

1	on the effective date of the POA	\$6,865,330
2	xiii. For the payment of GO and PBA	
3	Restriction Fees to be paid	
4	on the effective date of the POA	\$232,871,901
5	xiv. For the payment of GO and PBA	
6	Consummation Costs to be paid	
7	within 10 business days of the effective	
8	date of the POA	\$176,682,903
9	xv. For the payment of Retail Support	
10	Fees to be paid on the effective	
11	date of the POA	\$50,000,000
12	xvi. For the payment of Clawback	
13	Structuring Fees for Assured Guaranty	
14	to be paid in accordance with	
15	Section 1.302 of the POA	\$39,300,000
16	xvii. For the payment of Clawback	
17	Structuring Fee for National Public	
18	Finance Guarantee to be paid in	
19	accordance with Section 1.302 of the	
20	POA	\$19,300,000
21	xviii. For the payment of Allowed PRIFA Bonds	
22	Claims to be paid on the	

1	effective date of the POA	\$193,500,000
2	xix. For the payment of PRIFA	
3	Structuring Fees for	
4	Ambac Assurance to be paid in	
5	accordance with Section 6.2 of the	
6	FGIC and Ambac	
7	Plan Support Agreement	\$34,750,000
8	xx. For the payment of PRIFA	
9	Structuring Fees for FGIC	
10	to be paid in accordance with	
11	Section 6.2 of the FGIC and	
12	Ambac Plan Support Agreement	\$21,750,000
13	xxi. For the payment of PRIFA Plan	
14	Support Agreement Restriction	
15	Fees to be paid in accordance with	
16	Section 6.1 of the FGIC and	
17	Ambac Plan Support Agreement	\$10,000,000
18	xxii. For the payment of ERS	
19	Bondholders Cash Consideration	
20	to be paid on the effective date	
21	of the Plan of Adjustment	\$373,000,000
22	xxiii. For the payment of ERS	

1	Bondholders Restriction Fee	
2	to be paid on the effective date	
3	of the POA	\$75,000,000
4	xxiv. For the payment of ERS	
5	Bondholders Additional	
6	Restriction Fee to be paid on	
7	the effective date	
8	of the POA	\$2,250,000
9	xxv. For the payment of CCDA Bonds	
10	Cash Consideration to be paid in	
11	Accordance with the HTA/CCDA	
12	Related Plan Support Agreement and	
13	CCDA Qualifying Modification	\$97,000,000
14	xxvi. For the payment of CCDA	
15	Consummation Costs to be paid	
16	In accordance with Section 3.8 of	
17	the POA	\$15,000,000
18	xxvii. For the payment to the bondholders of PFC	
19	to be paid if a qualifying modification for	
20	PFC is approved by the Court	\$12,500,000
21	xxviii. For the payment to Oriental Bank for	
22	payment under the Settlement Agreement	

1 between the Puerto Rico Metropolitan Bus

2 Authority, subject to approval under

3 section 207 of PROMESA \$4,000,000

4 **Subtotal** **\$7,987,770,134**

5 B. Court judgements and indemnifications

6 i. For the funding of Allowed PBA General

7 Unsecured Claims to be paid

8 in accordance with Section 17.1

9 of the POA \$17,689,988

10 ii. For the payment of Allowed PBA/DRA

11 Unsecured Claims to be paid

12 on the effective date of the POA \$13,867,894

13 iii. For the payment of Allowed System 2000

14 Participant Claims to be paid in

15 accordance with Section 55.10

16 of the POA \$1,376,958,081

17 iv. For the funding of GUC Reserve

18 inclusive of the Avoidance Actions Trust

19 and Allowed Convenience Claims

20 to be paid in accordance with

21 Sections 1.163, 1.354, 62.3, and 78.11

22 of the POA \$575,000,000

1	v.	For the funding of ACR Reserve	
2		to be paid on the effective date	
3		of the POA	\$229,000,000
4	vi.	For the payment of the AFSCME	
5		Support Fee to be paid on the effective	
6		date of the POA	\$5,000,000
7	vii.	For the payment of the Professional Fees	
8		representing AFSCME to be paid	
9		on or after the effective date	
10		of the POA	\$5,000,000
11	viii.	For the payment of 330 Med Centers	
12		Claims to be paid in accordance with	
13		Section 60.1 of the POA	\$146,791,886
14	ix.	For the payment of Act 1 and Act 447	
15		Beneficiary Claims to be paid on	
16		the effective date of the	
17		POA	\$100,000,000
18	x.	For the payment of Allowed Dairy Producers	
19		Claims to be paid in accordance	
20		with Section 57.1 of the POA	\$31,161,820
21	xi.	For the payment of	
22		the Initial Deposit to the Pension	

	Trust to be paid on the effective date of	
	the POA	\$5,000,000
xii.	For the payment of ERS	
	General Unsecured Creditors Pool	
	to be paid on the effective date of	
	the POA, and subject	
	to the election set forth in Section 70.1(b)	\$500,000
xiii.	For the funding of Allowed Eminent Domain	
	Claims of the Commonwealth and the Public Buildings	
	Authority to be paid in accordance with	
	Section 58.1 and 77.1 of the POA	\$344,949,651
xiv.	For the funding of Allowed Cure Amounts for	
	Unexpired Leases to be paid in accordance	
	with Section 76.1 of the POA	\$7,800,000
xv.	For the funding of Allowed Administrative	
	Expense Claims to be paid in accordance	
	with Section 1.52 of the POA	<u>\$30,500,000</u>
	Subtotal	\$2,889,219,319
C.	Payroll and related costs	
i.	For the payment of signing bonuses	
	and the Additional Fee to be disbursed as a	
	cash bonus to AFSCME Represented Employees	

to be paid on or after the effective date

of the POA \$10,000,000

Subtotal **\$10,000,000**

Total Unused Cash Appropriated

from Prior Fiscal Years **\$10,886,989,453**

II. The Joint Resolution of the General Fund Budget for Fiscal Year 2021-2022 certified on June 30, 2021 is amended from \$10,112,390,000 to \$12,507,515,463.

A. The following appropriations are hereby adjusted from The Joint Resolution of the General Fund Budget for Fiscal Year 2021-2022 certified on June 30, 2021, as follows. Additionally, approximately \$48,770,000 of funds were reapportioned in Fiscal Year 2022 across various agencies which remain in the Amended Budget for Fiscal Year 2021-2022.

Agency	Concept/Object	FY22 Certified Budget	FY22 Amended Budget
Puerto Rico Health Insurance Administration	Social well-being for Puerto Rico - To pay for health insurance as provided in Law 72-1993, as amended	\$1,522,721,000	\$696,985,000
Appropriations under the custody of the OMB	Social well-being for Puerto Rico - To pay for health insurance as provided in Law 72-1993, as amended	\$100,246,000	\$0
Appropriations under the custody of the Treasury	Appropriations to non-governmental entities - Contributions to rum producers related to the "rum cover-over"	\$157,382,000	\$175,528,000

Agency	Concept/Object	FY22 Certified Budget	FY22 Amended Budget
	collected by the US Treasury		
Appropriations under the custody of the Treasury	Appropriations to non-governmental entities - FEDE portion of corporate income taxes and non-resident withholdings in the Economic Incentive Fund, pursuant to law 60-2019	\$64,872,000	\$71,872,000
Appropriations under the custody of the Treasury	Social well-being for Puerto Rico - For each municipality's Municipal Improvement Fund, as provided by Law 18-2014, to be distributed pursuant to Law 1-2011	\$25,917,000	\$27,909,000
Appropriations under the custody of the Treasury	Social well-being for Puerto Rico - For each municipality's Municipal Development Fund, as provided by Law 18-2014, to be distributed pursuant to Law 1-2011	\$51,835,000	\$55,817,000
Appropriations under the custody of the Treasury	Debt Service - For each municipality's Municipal Redemption Fund, as provided by Law 18-2014, to be distributed pursuant to Law 1-2011	\$0	\$55,817,000
Appropriations under the custody of the Office of Management & Budget	Federal Fund Matching - Cost share of public assistance	\$0	\$10,750,000
Department of Education	Payroll and related costs - Salaries for School personnel	\$654,974,000	\$669,235,000
Appropriations under the custody of the OMB	Capital expenditures - Unallocated capital expenditures	\$33,284,000	\$40,414,000

1
2 Further, the Other Operating Expenses cost concept in the following agencies
3 is hereby increased from The Joint Resolution of the General Fund Budget for
4 Fiscal Year 2021-2022 certified on June 30, 2021, by the amounts shown below:

Agency	Cost Concept	Incremental Appropriation
Department of Education	Other Operating Exepenses	\$13,202,000
Department of Health	Other Operating Exepenses	\$12,123,000
Family and Children Administration	Other Operating Exepenses	\$5,764,000
Department of Correction and Rehabilitation	Other Operating Exepenses	\$3,279,000
Puerto Rico Department of Treasury	Other Operating Exepenses	\$3,254,000
Mental Health and Drug Addiction Services Administration	Other Operating Exepenses	\$2,998,000
Puerto Rico Police Bureau	Other Operating Exepenses	\$2,775,000
Puerto Rico Technology and Innovation Services	Other Operating Exepenses	\$1,957,000
Correctional Health	Other Operating Exepenses	\$1,433,000
Administration for Socioeconomic Development of the Family	Other Operating Exepenses	\$1,375,000
Retirement Board of the Government of Puerto Rico	Other Operating Exepenses	\$1,328,000
Department of Natural and Environmental Resources	Other Operating Exepenses	\$1,231,000
Puerto Rico Department of Agriculture	Other Operating Exepenses	\$757,000
Puerto Rico Public Private Partnership Authority	Other Operating Exepenses	\$726,000

Vocational Rehabilitation Administration	Other Operating Exepenses	\$590,000
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B. Appropriations under the custody of the Office of Management & Budget
("OMB")

i. Payroll and related costs

a. Former PREPA Employees' Payroll	\$22,150,000
b. Former PREPA Employee Pension	\$14,107,000

ii. Social well-being for Puerto Rico

a. Police Retirement Act 106	
Defined Contribution	<u>\$269,330,000</u>

Subtotal **\$305,587,000**

C. Appropriations for the Legislature

i. Undistributed appropriations to the House

of Representatives of Puerto Rico	\$4,500,000
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ii. Undistributed appropriations to the Senate

of Puerto Rico	\$3,000,000
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iii. For the creation of a Congressional

Budget Office within Legislative Assembly	<u>\$1,500,000</u>
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Subtotal **\$9,000,000**

D. Appropriations under the custody of the Treasury

i. Debt Service

a. For the payment of New GO Bonds -	
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1	Capital Investment Bonds to be paid	
2	in accordance with Section 74.1	
3	of the POA	\$684,278,300
4	b. For the payment of New GO Bonds –	
5	5.0% Capital Appreciation Bonds to be	
6	paid in accordance with Section 74.1	
7	of the POA	\$105,968,972
8	c. For the payment of Sales and Use Taxes	
9	Contingent Value Instrument to be paid	
10	in accordance with Exhibit J	
11	of the POA	\$223,949,000
12	d. For the payment of Rum Contingent	
13	Value Instrument to be paid	
14	in accordance with Exhibit M	
15	of the POA	<u>\$5,236,191</u>
16	Subtotal	\$1,019,432,463
17	ii. Court judgements and indemnifications	
18	a. For the payment of Administrative	
19	Professional Fees to be paid	
20	in accordance with Section 92.12	
21	of the POA	\$13,200,000
22	b. For the funding of Loan to HTA	

1	to be provided and repaid	
2	in accordance with terms	
3	to be agreed upon with the	
4	Oversight Board	\$314,000,000
5	c. For the contribution to the Pension	
6	Reserve Trust	<u>\$1,420,936,000</u>
7	Subtotal	\$1,748,136,000
8	iii. Payroll and related costs	
9	a. For the payment of AFSCME	
10	Upside Bonus to be paid in	
11	accordance with Exhibit G-19	
12	of the POA	<u>\$18,312,000</u>
13	Subtotal	\$18,312,000
14	Total Joint Resolution of the General Fund Budget	
15	for Fiscal Year 2021-2022	\$12,507,515,463
16	Section 2.- The amount of one hundred million dollars (\$100,000,000) per year from	
17	Fiscal Year 2023 to Fiscal Year 2025, and the amount of seventy-five million dollars	
18	(\$75,000,000) for Fiscal Year 2026, from the General Fund is hereby appropriated to enable	
19	the Department of Treasury to fund the GUC Reserve , inclusive of the Avoidance Actions	
20	Trust and Allowed Convenience Claims to be paid in accordance with Sections 1.163,	
21	1.354, 62.3, and 78.11 of the POA.	

1 Section 3.- The amount of forty-eight million nine-hundred and thirty thousand
2 six-hundred twenty-nine dollars (\$48,930,629) per year for Fiscal Years 2023 and 2024,
3 from the General Fund, is hereby appropriated to enable the Department of Treasury to
4 cover the payment of 330 Med Centers Claims to be paid in accordance with Section 60.1
5 of the POA.

6 Section 4.- The amount of ten million three-hundred and eighty-seven thousand
7 two-hundred seventy-three dollars (\$10,387,273) per year for Fiscal Years 2023 and 2024,
8 from the General Fund, is hereby appropriated to the Department of Treasury for the
9 payment of Dairy Producers Claims to be paid in accordance with Section 57.1 of the
10 POA.

11 Section 5.- In the event that the final amounts to be paid are lower than the
12 amounts appropriated herein, any unused appropriations are to be returned to the
13 General Fund (Treasury Single Account).

14 Section 6.- The ACR Reserve, Administrative Expense Claims, Eminent Domain
15 Claims, PBA General Unsecured Claims, and ERS General Unsecured Creditors Pool
16 appropriations remain in effect until June 30, 2027. Quarterly reporting on resolution
17 and/or payment of any such claims is to be provided by the party responsible for such
18 resolution or payment to the Oversight Board for review.

19 Section 7.- The Secretary of Treasury is hereby authorized to use the funds set aside
20 in the Tourism Company accounts as of the Plan effective date to pay the CCDA Bonds
21 Cash Consideration and CCDA Consummation Costs, as detailed in the HTA/CCDA
22 Related Plan Support Agreement. Any excess amounts remaining after those payments

1 are made shall be utilized to pay the Clawback Structuring Fees for Assured Guaranty
2 and National Public Finance Guarantee in accordance with Section 1.302 of the POA.

3 Section 8.- The Department of Treasury shall submit to the Calculation Agent the
4 information necessary to determine payment for the Upside Participation Bonus, Pension
5 Reserve Trust, Sales and Use Tax Contingent Value Instrument, and Rum Tax Contingent
6 Value Instrument in accordance with the requirements of the applicable Calculation
7 Agent Agreement. The Calculation Agent will determine the Upside Participation Bonus,
8 Pension Reserve Trust, Sales and Use Tax Contingent Value Instrument, and Rum Tax
9 Contingent Value Instrument in accordance with the requirements of the applicable
10 Calculation Agent Agreement. The appropriation for the Sales and Use Contingent Value
11 Instrument and Rum Tax Contingent Value Instrument is hereby extended until
12 November 1, 2022.

13 Section 9.- In accordance with Section 103 of Act 53-2021, the Governor, the
14 Secretary of Treasury, and any other Governor's Designee (as defined in Act 53-2021), are
15 each hereby authorized to execute, on behalf of the Commonwealth of Puerto Rico, the
16 Pension Reserve Deed of Trust to establish the Pension Reserve Trust, as required by
17 Section 83.1 of the Plan of Adjustment, and to take any other action that may be required
18 in order to implement its provisions; provided that the execution of such deed by any one
19 of such officials shall be sufficient. The appropriation for the Pension Reserve Trust
20 Contribution is hereby extended until November 1, 2022.

21 Section 10 - The appropriation for the AFSCME Upside Bonus is hereby extended
22 until December 1, 2022. Section 11.- The final payment amount to Oriental Bank pursuant

1 to the Settlement Agreement between Oriental Bank and the Puerto Rico Metropolitan
2 Bus Authority is subject to Oversight Board approval.

3 Section 12.- The Former PREPA Employees' Payroll funds held under the custody
4 of the Office of Management and Budget ("OMB") are to be allocated by OMB to those
5 government entities that received former PREPA employees and demonstrated that they
6 are unable to cover those expenses with their current budget. However, those funds shall
7 only be released after the OMB provides a detailed report to the Oversight Board of the
8 employees transferred from the Puerto Rico Electric Power Authority ("PREPA") to such
9 other government entities. Government entities that may receive these funds are required
10 to provide a full roster with all active employees to the Oversight Board. Such roster must
11 identify any employee transferred from PREPA to the respective government entity.

12 Section 13.- The PREPA Employee Pension funds held under the custody of OMB
13 shall only be released after AAFAF provides, to the satisfaction of the Oversight Board,
14 the following documentation to the Oversight Board:

- 15 a. A formal written legal opinion from AAFAF or internal or outside counsel to
16 AAFAF or the Government of Puerto Rico identifying the legal basis on which
17 former PREPA employees transferred to the Commonwealth may continue to
18 participate in the PREPA Employees Retirement System ("PREPA ERS"), as
19 opposed to being enrolled in the Commonwealth Act 106 Defined Contribution
20 plan, including the Government's ability or obligation to assume the PREPA
21 ERS employer contributions for mobilized employees. The legal opinion must
22 also identify whether a distinction should be made between employees with

ten (10) or more years of PREPA service and employees with less than ten (10) years of PREPA service for purposes of determining eligibility to continue participating in the PREPA ERS after mobilization, including identifying whether continuing participation in the PREPA ERS is a vested right under Act 120-2018, as amended by Act 17-2019, and whether such right also applies to employees with less than ten (10) years of PREPA service (who would not have been vested in their PREPA ERS pension benefit prior to the mobilization date).

b. Identification of the point in time at which these contributions will be made and how these contributions will be transferred to and accepted by PREPA ERS.

c. A financial model with the basis for the calculation of such contributions (with supporting source documentation) and an estimate of the approximate cost.

d. Confirmation that any pension reform measures applied to PREPA ERS would also be applied to mobilized employees.

Section 14.- The Police Retirement Funds held under the custody of OMB shall only be released upon approval from the Oversight Board.

Section 15 - The Secretary of the Treasury is hereby authorized, on behalf of the Government of Puerto Rico, to make one or more loans or extend one or more credit facilities to the Puerto Rico Highways and Transportation Authority ("HTA"), pursuant to those agreed upon terms and conditions, to satisfy payments required in accordance with the POA, Confirmation Order, and Section 1(II)(D)(ii)(c) of this Joint Resolution. HTA is also hereby authorized to receive the proceeds of such loan or credit facility,

1 which shall be repaid pursuant to the terms and conditions agreed to with the Secretary
2 of the Treasury. Terms and conditions of the loan to HTA are subject to approval by the
3 Oversight Board.

4 Section 16.- All other provisions in the Joint Resolution of the General Fund Budget
5 for Fiscal Year 2021-2022 certified on June 30, 2021 not amended herein shall remain in
6 full effect.

7 Section 17.- This Joint Resolution shall be adopted in both of Puerto Rico's official
8 languages, Spanish and English. If in the interpretation or application of this Act any
9 conflict arises between the English and Spanish texts, the English text shall govern.

10 Section 18.- Severability.

11 If any clause, paragraph, subparagraph, sentence, word, letter, article, provision,
12 section, subsection, title, chapter, subchapter, heading, or part of this Joint Resolution,
13 were to be annulled or declared unconstitutional, the order to such effect will neither
14 affect nor invalidate the remainder of this Joint Resolution. The effect of such an order
15 shall be limited to the clause, paragraph, subparagraph, sentence, word, letter, article,
16 provision, section, subsection, title, chapter, subchapter, heading, or part of this Joint
17 Resolution so annulled or declared unconstitutional. If the application to a person or
18 circumstance of any clause, paragraph, subparagraph, sentence, word, letter, article,
19 provision, section, subsection, title, chapter, subchapter, heading, or part of this Joint
20 Resolution, were to be annulled or declared unconstitutional, the order to such effect will
21 neither affect nor invalidate the application of the remainder of this Joint Resolution to
22 such persons or circumstances to which it may be validly applied. It is the express and

1 unequivocal intent of this Legislative Assembly that the courts of law enforce the
2 provisions and application of this Joint Resolution to the greatest possible extent, even if
3 any of its parts is annulled, invalidated, affected or declared unconstitutional, or even if
4 the application thereof to any person or circumstance is annulled, invalidated or declared
5 unconstitutional. This Legislative Assembly would have passed this Joint Resolution
6 regardless of the ruling on severability that a Court may issue.

7 Section 19.- This Joint Resolution shall take effect immediately after enactment.